



Press Release

GAROFALO HEALTH CARE S.P.A.: BOARD OF DIRECTORS APPROVES 2019 CONSOLIDATED FINANCIAL STATEMENTS AND SEPARATE FINANCIAL STATEMENTS

IMPROVED RESULTS IN 2019: ACQUISITIONS DRIVE GROUP REVENUES AND EARNINGS

REVENUES OF EURO 196.5M, +26.3% ON 2018; PRO-FORMA OF EURO 222.5M (+42.9%)

OPERATING EBITDA ADJUSTED OF EURO 38.2M (+28.3%) WITH MARGIN UP TO 19.5% (19.1% IN 2018); PRO-FORMA OF EURO 44.4M (+49.1%) WITH MARGIN OF 20.0%

- Revenues of Euro 196.5m, increasing Euro 40.9m vs Euro 155.6m in FY2018 (+26.3%), of which Euro 0.9m (+0.6%) attributable to the organic perimeter⁽¹⁾ and Euro 40.0m to the M&A perimeter⁽²⁾ (+25.7%). Pro-Forma Revenues⁽³⁾ of Euro 222.5m, up Euro 66.9m (+42.9%);
- Operating EBITDA Adjusted⁽⁴⁾ of Euro 38.2m, with a margin of 19.5% (19.1% in FY2018) increasing Euro 8.4m vs. Euro 29.8m in FY2018 (+28.3%). Pro-Forma Operating EBITDA Adjusted of Euro 44.4m, increasing Euro 14.6m (+49.1%);
 - Slightly negative organic perimeter contribution for Euro 0.5m, slowing 1.7% vs FY2018, with a margin of 18.7%;
 - M&A perimeter contribution of Euro 8.9m, with a margin of 22.3%;
 - Pro-Forma M&A perimeter contribution of Euro 15.1m, with a margin of approx. 23%;
- Group Net Profit of Euro 13.1m, slightly reducing on Euro 13.6m in FY2018. Pro-Forma Group Net Profit of Euro 16.3m, up Euro 2.7m (+19.6%);
- Net Financial Position of Euro 94.7m, with financial debt of Euro 122.4m and liquidity of Euro 27.7m. Financial leverage⁽⁵⁾ of 2.1x, with significant “firepower” available for further M&A’s;
- With regards to Covid-19, the GHC Group has acted, in line with the orders imposed, to protect the health and safety of its staff and partners and to ensure the continuity of an essential service for the community.

Rome, March 23, 2020 – The Board of Directors of Garofalo Health Care S.p.A. (“GHC”), listed on the MTA segment of the Italian Stock Exchange, today approved the 2019 Consolidated and Separate Financial Statements, drawn up as per IAS/IFRS international accounting principles.

⁽¹⁾ From 2019, the organic perimeter includes also the results of the two companies acquired by GHC in 2017 (Fides Medica Group, acquired in June 2017 and comprising Fides Medica S.r.l. and its direct and indirect subsidiaries, and Casa di Cura Prof. Nobili S.p.A., acquired in December 2017) on the basis of their full contribution for the 12 months of 2018

⁽²⁾ From 2019, the M&A perimeter includes the results of Poliambulatorio Dalla Rosa Prati of Parma, acquired on February 5, 2019, of Ospedali Privati Riuniti di Bologna, acquired on May 6, 2019, of Centro Medico S. Biagio e Bimar, acquired on July 25, 2019, of Centro Medico Università Castrense, acquired on September 17, 2019, and of Aesculapio, acquired on September 19, 2019

⁽³⁾ The 2019 Pro-Forma figures retrospectively reflect at January 1, 2019 the acquisitions made by GHC during the year and outlined above. These Pro-Forma statements are drawn up on a voluntary basis and according to procedures agreed with the independent audit firm as per the International Standard of Related Services (“ISRS”) 4400 issued by the IAASB

⁽⁴⁾ Operating EBITDA Adjusted defined as EBIT + depreciation & amortisation + provisions and write-downs + non-core costs (approx. Euro 3.5m) for M&A’s (incurred for the acquisitions) and those for the Stock Grant plan. Non-core costs in 2018 of Euro 4.0m however concern the IPO costs incurred in 2018 and expensed to the income statement

⁽⁵⁾ Calculated as the ratio between the Net Financial Position and Pro-Forma Operating EBITDA Adjusted of Euro 44.4m in 2019



Maria Laura Garofalo, Chief Executive Officer of GHC stated: *“I firstly wish to thank all managers and health, social, technical and administrative staff of GHC Group in these days as they tackle head-on one of the most serious and complex epidemics in our history.*

My first thought goes to those who, with a great sense of civic responsibility, deal on a daily basis with this virus at close range. It is, in fact, thanks to their self-sacrifice and their courage, that all the Group's facilities were able to make themselves available to public hospitals, also by amending their care offer according to the primary needs dictated by the pandemic.

In terms of the 2019 financial statement results, I can only express our great satisfaction as they fully reflect the impressive growth that the Group has delivered through a well thought out strategy during the year.”

The 2019 GHC Group consolidated key financial highlights are presented below.

Consolidated figures	2019 Actual		2019 Pro-Forma		2018		2019A vs. 2018		2019PF vs. 2018	
	Euro m	%	Euro m	%	Euro m	%	Euro m	%	Euro m	%
Revenues	196.5	100.0%	222.5	100.0%	155.6	100.0%	40.9	26.3%	66.9	42.9%
Op. EBITDA Adj.	38.2	19.5%	44.4	20.0%	29.8	19.1%	8.4	28.3%	14.6	49.1%
EBIT Adj.	24.0	12.2%	28.7	12.9%	23.0	14.8%	1.0	4.1%	5.7	24.4%
Pre-tax Result Adj.	22.1	11.3%	26.4	11.9%	22.1	14.2%	0.0	0.2%	4.3	19.6%
Pre-tax Result	18.7	9.5%	22.9	10.3%	18.0	11.6%	0.7	3.5%	4.9	27.1%
Group Net Profit	13.1	6.7%	16.3	7.3%	13.6	8.7%	-0.5	-3.2%	2.7	19.6%

1. 2019 CONSOLIDATED FINANCIAL STATEMENTS

GHC Group 2019 consolidated key operating highlights

Consolidated Revenues Overview

GHC consolidated revenues in 2019 amounted to Euro 196.5m, increasing on Euro 155.6m in 2018, with growth of Euro 40.9m (+26.3%) mainly thanks to the M&A contribution following the 2019 acquisitions.

Revenues in Euro millions	FY2019	FY2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
Total	196.5	155.6	26.3%	0.6%	25.7%

2019 Pro-Forma consolidated revenues of Euro 222.5m were up Euro 66.9m (+42.9%) over 2018 consolidated revenues.

Revenues in Euro millions	FY2019 Pro-Forma	FY2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
Total	222.5	155.6	42.9%	0.6%	42.3%

Consolidated Adjusted Operating EBITDA and Consolidated Operating Results

Consolidated Operating EBITDA Adjusted was Euro 38.2m, up Euro 8.4m on Euro 29.8m in the previous year (+28.3%), with an M&A contribution (+30.0%) which more than offset the slight reduction for the organic component for Euro 0.5m (-1.7%), related to the slight increase in operating costs and the reduction or absence of certain revenue items without costs (as in the case, respectively, of the reduced research and development tax credit contribution for the Hesperia Hospital in Modena and the absence of the amount received in 2018 by Villa Von Siebenthal - partly concerning 2017 - regarding the recognition by the ASL of Rome and the Lazio Region of appropriate rates for care locations for adolescents).

Operating EBITDA Adjusted reflects, in comparison with 2018, lower operating costs of Euro 2.4m deriving from the introduction of the international accounting principle IFRS 16 and increased Holding costs of Euro 2.0m⁽⁶⁾.

Op. EBITDA Adj. in Euro millions	FY2019	FY2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
Total	38.2	29.8	28.3%	-1.7%	30.0%

Overall, the Group's 2019 Operating EBITDA Adjusted margin was 19.5%, improving on 19.1% in the previous year.

Op. EBITDA Adj. Margin (%)	FY2019	FY2018	% vs. 2018
Margin (%)	19.5%	19.1%	+1.6%
Organic (%)	18.7%	19.1%	-2.2%
M&A (%)	22.3%	-	-

2019 Pro-Forma Consolidated Operating EBITDA Adjusted of Euro 44.4m, up Euro 14.6m (+49.1%) on the Operating EBITDA Adjusted for 2018. This amount reflects, in comparison with 2018, lower operating costs of Euro 3.3m from application of the international accounting principle IFRS 16 and increased Holding costs, as previously indicated.

Op. EBITDA Adj. in Euro millions	FY2019 Pro-Forma	FY2018	% vs. 2018	of which organic vs. 2018	of which M&A vs. 2018
Total	44.4	29.8	49.1%	-1.7%	50.8%

The Pro-Forma Group Operating EBITDA Adjusted margin was 20.0%.

Op. EBITDA Adj. Margin (%)	FY2019 Pro-Forma	FY2018	% vs. 2018
Margin (%)	20.0%	19.1%	+4.3%
Organic (%)	18.7%	19.1%	-2.2%
M&A (%)	22.9%	-	-

EBIT Adjusted was Euro 24.0m, increasing Euro 1.0m over Euro 23.0m in 2018 (+4.1%). This amount reflects: (i) amortisation, depreciation and write-downs of Euro 11.6m, increasing Euro 3.8m on 2018 due to increased amortisation and depreciation following the introduction of IFRS 16 (Euro 2.2m), in addition to the consolidation of the new acquisitions; (ii) impairments and provisions of Euro 2.7m, increasing Euro 3.7m on 2018, a year which included higher provision releases than accruals.

2019 Pro-Forma EBIT Adjusted was Euro 28.7 million, increasing Euro 5.7m on 2018 (+24.4%). This amount reflects: (i) amortisation, depreciation and write-downs of Euro 13.0m, of which Euro 2.6m from the introduction of IFRS 16; (ii) impairments and provisions of Euro 2.8m.

In 2019 net financial charges of Euro 1.8m were recognised, mainly regarding the financial debt, compared to Euro 1.0m in 2018, increasing mainly due to M&A's executed during the year, partly through new financial

⁽⁶⁾ Holding costs in 2018 reflect costs incurred over the year for the listing



debt. The average weighted cost of the medium/long-term financial debt in 2019 was approx. 1.7%, reducing on previous years thanks to the favourable market conditions and the specific renegotiation of the loan contracts in place during the year.

The Adjusted profit before taxes was Euro 22.1m, substantially in line with 2018 (Euro 22.1m, +0.2%). The 2019 Pro-Forma Adjusted profit before taxes was Euro 26.4m, increasing Euro 4.3m on 2018 (+19.6%).

Consolidated net profit overview

The Group Net Profit in 2019 was Euro 13.1m, slightly decreasing on Euro 13.6m in 2018. This result reflects the major growth delivered by the Group during the year, which resulted in increased amortisation and depreciation and provisions, as described above (this latter non-deductible for tax purposes), and higher financial charges for M&A's. These items resulted in taxes of Euro 5.5m, increasing Euro 1.5m on 2018. The Group Net Profit includes the contributions from the additional minority stakes acquired in existing subsidiaries during the year (Casa di Cura Prof. Nobili in January 2019 and Villa Garda in June 2019).

The 2019 Group Pro-Forma Net Profit was Euro 16.3m, up Euro 2.7m on 2018 (+19.6%).

GHC Group 2019 consolidated balance sheet highlights

Consolidated Net Financial Position Overview

At December 31, 2019, the Net Financial Position (NFP) of GHC was Euro 94.7m. This amount is based on liquidity of Euro 27.7m and debt of approx. Euro 122.4m (including the approx. Euro 16.7m increase from the introduction of IFRS 16).

This indicator increased by Euro 142.0m on December 31, 2018. Excluding M&A's, non-recurring cash outflows (related to investments in organic growth and the treasury share buy-back programme) and the IFRS 16 effects, the NFP would be a negative Euro 61.1m (cash excess), improving Euro 13.8m vs. FY2018.

Net Financial Position in Euro millions	FY2019	FY2018	Change vs. 2018
Total	94.7	-47.3	+142.0
Financial leverage (x)	2.1x	n.a.	-

2. SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2019

Garofalo Health Care S.p.A. 2019 key operating highlights

Garofalo Health Care S.p.A. is the parent company, listed on the main segment of the Italian Stock Exchange since November 2018.

2019 Parent Company revenues were Euro 2.4m and related to the partial recharges of Parent Company costs to the subsidiaries for administrative co-ordination, financial, corporate and IT services.

Operating EBITDA reported a loss of Euro 4.4m as a result of the costs incurred by the Parent Company during the year for the execution of Holding company core operations and non-core costs relating to M&A's and the Stock Grant plan described previously and amounting to Euro 3.5m. Non-core costs in 2018 of Euro 4.0m however concern the IPO costs incurred in 2018 and expensed to the income statement.

The 2019 net profit was Euro 1.7m, reducing on 2018, mainly in view of the reduced dividends distributed by the subsidiaries, amounting to Euro 5.7m (from Euro 8.1m in the previous year).

Garofalo Health Care S.p.A. 2019 key balance sheet highlights

At December 31, 2019, the Net Financial Position (NFP) of the parent company was Euro 30.8m, with debt exceeding cash. This indicator increased Euro 88.5m compared to 2018, which reported net cash of Euro 57.3m. The movement in the NFP at December 31, 2019 relates mainly to the M&A's executed in the year.



3. SUBSEQUENT EVENTS

As noted, since January 2020, the domestic and international picture has been dominated by the spread of Coronavirus (Covid-19) and the resulting restrictive containment measures implemented by the public authorities of the countries affected. These developments, which are extraordinary in nature and extent, have direct and indirect repercussions on economic activity giving rise to an environment of general uncertainty and whose evolution and effects are unforeseeable. The potential effects on the financial statements currently may not be predicted and shall be constantly monitored by the Board.

In view of that outlined above and for assessing the impairment test, management considered it appropriate to undertake, with the support of an independent expert, a “stress test” - simulating a reduction in revenues for the present year. This test highlighted that intangible assets, on the basis of the above reduction in revenues, would not suffer an impairment in 2020.

4. OUTLOOK

With regards to the 2020 financial year, the Group firstly is faced by a complex environment which has been altered by the spread of the COVID-19 virus, resulting in the temporary suspension of certain operations and the rollout of others to assist in the crisis and according to the primary needs dictated by the pandemic. At the same time, the managers of facilities, in addition to tackling this contingent situation, are preparing for the start up of suspended activities, according to the original planning and thanks to an organisation that permits the stepping up of these activities. This is possible due to the fact that the facilities, given the budget constraints, have a higher production capacity than the volumes of activities produced. At the end of the emergency situation, every single entity will be able, therefore, to step up activities, both in terms of business related to regional budgets and in terms of outside-region patient activities.

Thanks to high quality standards, cutting-edge technology and leading staff in their fields, all Group facilities will also be a point of reference for the private sector (out of pocket), although it will not be most likely possible in this area to fully recover all suspended activity. However, all the activities performed in this period related to the pandemic, supporting the public hospitals and on the basis of additional agreements to those contained in the ordinary budgets, will be added to the accredited regional and outside-region activities.

M&A's will clearly continue as planned to enable the Group's even further growth.

Finally, GHC will continue in addition to commit itself in a concrete and ongoing manner also to the issue of sustainability which has always been a key Group pillar and central to its DNA.



5. OTHER BOARD OF DIRECTORS' MOTIONS

Calling of the Shareholders' Meeting

The Board of Directors meeting today approved the calling of the Shareholders' Meeting of Garofalo Health Care S.p.A. in ordinary session for April 29, 2020, in single call, to discuss and vote upon the following

Agenda

1. Financial Statements of Garofalo Health Care S.p.A. at December 31, 2019. 2019 Directors' Report. Report of the Board of Statutory Auditors and of the Independent Audit Firm. Presentation of the Consolidated Financial Statements at December 31, 2019 and of the consolidated non-financial report in accordance with Legislative Decree No. 254 of December 30, 2016 for 2019. Resolutions thereon.
2. Allocation of the net profit for the year; resolutions thereon.
3. Appointment of three members of the Board of Directors in accordance with Article 2386 of the Civil Code and allocation of the relative remuneration; resolutions thereon.
4. Approval of the Report on the remuneration policy and report as per Article 123-ter of the CFA.

The Board of Directors also approved, in application of Article 106, paragraph 4 of Legislative Decree No. 18 of March 17, 2020 (*Measures to strengthen the National health service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency*), that attendance at the Shareholders' Meeting shall exclusively be permitted through the designated agent in accordance with Article 135-undecies of the CFA.

The call notice, accompanied by all of the information required by Article 125-bis of Legislative Decree No. 58/1998, as subsequently amended (the "CFA"), in addition to all the documentation which shall be submitted to the Shareholders' Meeting in accordance with Articles 125-ter and 125-quater of the CFA, shall be made available to the public, in accordance with law, at the registered office of the company in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section.

Corporate Governance and Ownership Structure Report and Remuneration Policy and Report approval

The Board of Directors approved the Corporate Governance and Ownership Structure Report for 2019 prepared by the Company in accordance with Article 123-bis of CFA.

The Board of Directors also approved the Remuneration Policy and Report for 2019 in accordance with Article 123-ter of the CFA and Article 84-quater and Annex 3A, Scheme 7-bis of Consob Regulation No. 11971/1999, as subsequently amended (the "Issuers' Regulation").

This report shall be made available to the public, in accordance with law, at the registered office of the company, in Rome, Piazzale delle Belle Arti n. 6 and on the company website www.garofalohealthcare.com, *Governance/Shareholders' Meeting* section.

Approval of the Non-Financial Report at December 31, 2019 as per Legislative Decree 254/2016

The Board of Directors approved the Non-Financial Report at December 31, 2019 prepared by the Company in accordance with Legislative Decree 254/2016. This Report shall be made available to the public, according to the same timeline for the annual financial report of Garofalo Health Care S.p.A. in accordance with law, at the registered office of the company in Rome, Piazzale delle Belle Arti n. 6 and on the Company website www.garofalohealthcare.com, *Governance / Shareholders' Meeting* section.

The Non-Financial Report outlines Group operations, its performances, results and the impact in terms of environmental, social, personnel, human rights and anti-active and passive corruption aspects.

Verification of the independence of the directors and statutory auditors

The Board of Directors verified the continued independence in accordance with Article 148, paragraph 3 of the CFA, of Article 25 of the By-Laws and Article 3 of the Self-Governance Code of Borsa Italiana of the Independent Directors Grazia Bonante, Franca Brusco and Federico Ferro-Luzzi. In addition, the Board



verified the outcome of the independence checks as per Article 148, paragraph 3 of the CFA and the combined provisions of Articles 8.C.1 and 3.C.1 of the Self-Governance Code regarding the statutory auditors, which the Board of Statutory Auditors, in accordance with Article 8 of the Self-Governance Code, carried out on February 14, 2020.

* * *

The Executive Officer for Financial Reporting, Fabio Tomassini, states in accordance with paragraph 2, Article 154-bis of the Consolidated Finance Act that the accounting information in this press release corresponds to the underlying accounting documents, records and entries.

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The GHC Group

The GHC Group, listed on the Milan Stock Exchange, is an Italian accredited private healthcare leader operating through 24 healthcare clinics demonstrating excellence, located in Italy's strongest regions and offering a comprehensive range of services covering all areas of healthcare thanks to diversified specialties, the use of cutting-edge technologies and highly-qualified personnel. The Group in fact operates across seven regions in Northern and Central Italy (Piedmont, Veneto, Friuli-Venezia Giulia, Emilia Romagna, Liguria, Tuscany and Lazio), covering in the hospital sector acute admissions, long hospitalization, post-acute rehabilitations and outpatient services (the "Hospital Sector"), and in the regional and social-care sector covering residential admissions and district outpatient services (the "Dependency Care Sector").

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FOR FURTHER DETAILS:

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2019 Consolidated Income Statement of the GHC Group

<i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Revenues from services	194,361		153,268	
Other revenues	2,177		2,369	
TOTAL REVENUES	196,538		155,637	
Raw materials and consumables	26,012		21,268	
Service costs	79,436	4,144	62,840	1,197
<i>of which non-recurring charges</i>	-		4,037	
Personnel costs	46,960		38,707	
Other operating costs	9,354		7,063	
Amortisation, depreciation & write-downs	11,579		7,749	
Impairments and other provisions	2,695		(987)	
TOTAL OPERATING COSTS	176,036		136,641	
EBIT	20,502		18,996	
Financial income	77		10	
Financial charges	(2,230)	(337)	(1,175)	(167)
Results of investments at equity	311		201	
TOTAL FINANCIAL INCOME AND CHARGES	(1,842)		(964)	
PROFIT BEFORE TAXES	18,660		18,032	
Income taxes	5,507		3,964	
NET PROFIT	13,153		14,069	
Group	13,142		13,583	
Minority interests	11		486	

GHC Group Consolidated Balance Sheet for 2019

ASSETS <i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Goodwill	53,809		38,815	
Other intangible assets	122,826		14,053	
Property, plant and equipment	155,226		93,145	
Investment property	1,002		1,027	
Equity investments	1,009		878	
Other non-current financial assets	112		1,542	
Other non-current assets	1,007		1,002	
Deferred tax assets	4,661		3,250	
TOTAL NON-CURRENT ASSETS	339,653		153,712	
Inventories	2,939		2,218	
Trade receivables	54,396		35,239	299
Tax receivables	3,564		3,084	
Other receivables and current assets	3,327	633	2,507	499
Other current financial assets	42	2	135	
Cash and cash equivalents	27,763		92,287	
TOTAL CURRENT ASSETS	92,031		135,471	
TOTAL ASSETS	431,684		289,183	

GHC Group Consolidated Balance Sheet for 2019

<i>LIABILITIES</i> <i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Share capital	28,700		28,700	
Legal Reserve	310		60	
Other Reserves	149,780		136,507	
Group Net Profit	13,142		13,583	
TOTAL GROUP SHAREHOLDERS' EQUITY	191,932		178,849	
Minority interest capital and reserves	82		6,519	
Minority interest result	11		486	
TOTAL SHAREHOLDERS' EQUITY	192,025		185,854	
Employee benefits	10,503		8,769	
Provisions for risks and charges	9,964		6,150	
Non-current financial payables	92,346	4,336	22,928	
Deferred tax liabilities	45,458		8,385	
Derivative financial instrument liabilities - non-current	36		11	
TOTAL NON-CURRENT LIABILITIES	158,307		46,244	
Trade payables	33,358		20,751	358
Current financial payables	30,101		22,142	5,953
Tax payables	1,854		394	
Other current liabilities	16,038	3,208	13,798	2,752
TOTAL CURRENT LIABILITIES	81,351		57,085	
TOTAL LIABILITIES	239,658		103,328	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	431,684		289,183	

GHC Group Consolidated Cash Flow Statement for 2019

<i>In thousands of Euro</i>	2019	2018
OPERATING ACTIVITIES		
Profit for the year	13,154	14,069
<i>Adjustments for:</i>		
- Amortisation and depreciation	10,329	6,206
- Provisions for employee benefit liabilities	503	1,959
- Provisions for risks and charges	2,695	(963)
- Doubtful debt provision	1,250	1,512
- Change in investments in associates valued under the equity method	(311)	(201)
- Change in other non-current assets and liabilities	41	(1,404)
- Net change in deferred tax assets and liabilities	(138)	879
- Change in fair value of derivative instruments	24	
- Payments for employee benefits	(1,261)	(2,554)
- Payments for provisions for risks and charges	(1,260)	(1,284)
<i>Changes in operating assets and liabilities:</i>		
(Increase) decrease in trade and other receivables	(7,670)	1,649
(Increase) decrease in inventories	80	134
Increase (decrease) in trade and other payables	1,567	1,457
Other current assets and liabilities	(81)	(2,941)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	18,922	18,518
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in intangible assets	(415)	(111)
Investments in tangible assets	(8,811)	(9,030)
(Investments)/disposals in financial assets	3,051	110
Sale of tangible assets	84	
Dividends from associates	200	
Acquisitions net of cash acquired	(118,296)	
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(124,187)	(9,031)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of medium/long term loans	54,300	
Repayment of medium/long-term loans	(5,878)	
Issue/(repayment) of short-term loans	2,144	(9,928)
Change in other non-current financial payables	(2,699)	
Share capital increase and shareholder payments		70,093

<i>In thousands of Euro</i>	2019	2018
(Acquisition) minority interests	(5,866)	
(Acquisition) treasury shares	(1,260)	
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	40,741	60,165
TOTAL CASH FLOWS (D=A+B+C)	(64,524)	69,652
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	92,287	22,635
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	27,763	92,287
Additional information:		
Interest paid	998	354
Income taxes paid	5,362	39

GHC Group Consolidated Net Financial Position for 2019

<i>In thousands of Euro</i>	2019	2018
A Cash	210	123
B Cash and cash equivalents	27,553	92,164
C Securities held-for-trading	-	-
D Liquidity (A) + (B) + (C)	27,763	92,287
E Current financial receivables	42	135
F Current bank payables	14,638	10,954
G Current portion of non-current debt	12,231	5,070
H Other current financial payables	3,231	6,129
I Current debt (F)+(G)+(H)	30,101	22,153
J Net current financial debt (I) - (E) - (D)	2,296	(70,269)
K Non-current bank payables	68,988	22,700
L Bonds issued	-	-
M Other non-current payables	23,358	228
N Derivative financial instrument liabilities - non-current	36	-
O Non-current financial debt (K) + (L) + (M) + (N)	92,381	22,928
P Net financial debt (J) + (O)	94,677	(47,341)

Garofalo Health Care S.p.A. 2019 Separate Income Statement

<i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Revenues from services	2,400	2,400	1,200	1,200
Other revenues	33			
TOTAL REVENUES	2,433		1,200	
Raw materials and consumables	24		20	
Service costs	3,588	2,286	5,150	211
<i>of which non-recurring charges</i>	-		4,037	
Personnel costs	2,503		664	
Other operating costs	732		18	
Increase in internal work capitalised	-		-	
Amortisation, depreciation & write-downs	182		8	
Impairments and other provisions	-		62	62
TOTAL OPERATING COSTS	7,029		5,922	
EBIT	(4,595)		(4,722)	
Financial income	5,660	5,658	8,108	8,108
Financial charges	(919)	(927)	(403)	(403)
Results of investments at equity	(34)		-	
TOTAL FINANCIAL INCOME AND CHARGES	4,706		7,705	
PROFIT BEFORE TAXES	111		2,983	
Income taxes	1,562		2,010	
NET PROFIT	1,673		4,993	



Garofalo Health Care S.p.A. Separate Balance Sheet for 2019

ASSETS <i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Other intangible assets	97		4	
Property, plant and equipment	5,145		32	
Equity investments	124,459		74,872	
Other non-current financial assets	44,213	44,213	9,029	7,528
Deferred tax assets	25		297	
TOTAL NON-CURRENT ASSETS	173,938		84,234	
Trade receivables	932	918	1,170	1,170
Tax receivables	1,635		1,651	
Other receivables and current assets	1,793		968	
Other current financial assets	3,472	3,472	-	
Cash and cash equivalents	7,344		65,109	
TOTAL CURRENT ASSETS	15,176		68,899	
TOTAL ASSETS	189,114		153,132	

Garofalo Health Care S.p.A. Separate Balance Sheet for 2019

<i>LIABILITIES</i> <i>In thousands of Euro</i>	2019	of which related parties	2018	of which related parties
Share capital	28,700		28,700	
Legal Reserve	310		60	
Other Reserves	114,107		109,273	
Net Profit	1,673		4,993	
TOTAL SHAREHOLDERS' EQUITY	144,790		143,026	
Employee benefits	67		34	
Non-current financial payables	17,104	4,336		
Deferred tax liabilities	17		-	
TOTAL NON-CURRENT LIABILITIES	17,189		34	
Trade payables	641		527	
Current financial payables	24,523	4,043	7,856	7,856
Tax payables	-		13	
Other current liabilities	1,971	1,514	1,676	1,250
TOTAL CURRENT LIABILITIES	27,135		10,072	
TOTAL LIABILITIES	44,324		10,106	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	189,114		153,132	

Garofalo Health Care S.p.A. Separate Cash Flow Statement for 2019

<i>In thousands of Euro</i>	2019	2018
OPERATING ACTIVITIES		
Profit for the year	1,673	4,993
- Amortisation and depreciation	182	8
- Provisions for employee benefit liabilities	25	47
- Change in other non-current assets and liabilities	(35,184)	(1,772)
- Net change in deferred tax assets and liabilities	293	(291)
- Payments for employee benefits	(5)	(17)
(Increase) decrease in trade and other receivables	238	(1,168)
Increase (decrease) in trade and other payables	(15)	416
Other current assets and liabilities	(2,818)	(2,024)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(35,611)	192
Investments in intangible assets	(117)	(5)
Investments in tangible assets	(3,688)	(39)
(Investments)/disposals in financial assets	(49,407)	(186)
CASH FLOW ABSORBED BY INVESTING ACTIVITIES (B)	(53,212)	(230)
Issue of medium/long term loans	14,300	
Repayment of medium/long-term loans		(5,312)
Issue/(repayment) of short-term loans	(77)	
Change in other non-current financial payables	18,095	
Dividends received	(4,499)	(8,097)
Dividends approved	4,499	8,097
Share capital increase and shareholder payments		70,163
(Acquisition) treasury shares	(1,260)	
NET CASH FLOW GENERATED/(ABSORBED) FROM FINANCING ACTIVITIES (C)	31,058	64,852
TOTAL CASH FLOWS (D=A+B+C)	(57,765)	64,814
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR (E)	65,109	295
CASH & CASH EQUIVALENTS AT END OF YEAR (F=D+E)	7,344	65,109
Interest paid	118	-
Income taxes paid		62